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1962/10/22

2113
INCOMING TELEGRAM

Department of State

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Action

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FROM: Athens

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NO: 493, October 22, 6 p.m.

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ACTION DEPARTMENT 493, INFORMATION PARIS 50.

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PARIS FOR USRO.

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Reference: Department circular telegram 655, October 12.

USIA

NSC

Full text Section 107 Foreign Assistance Act of 1962 discussed with official Ministry Foreign Affairs, who states GOG unable take effective legal action prevent ships call Cuba for following reasons:

INR

CIA

NSA

OSD

ARMY

NAVY

AIR

COM

TRSY

FMC

RMR

1. All ships registered under Greek flag since October 1953 (estimated six million of total seven million tons) come under provisions Article 13 law 2687. Under this law, each act of approval (i.e., individual registry) gives owner right to sell, transfer or charter ship to any for trade with a specified list of countries. This list includes Cuba. Only countries excluded are Soviet bloc and CHICOM bloc countries.

2. Since May/June this year, Cuba not included in list approved countries. Only three or four ships affected this deletion, however.

3. Law 2687 was issued by specific authority of the Constitution, Article 112 and can only be amended by a revisional Parliament invested with right to amend Constitution. Present Parliament is not a revisional one but next one following new elections could be if political parties and Crown agreed.

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-2- 16874, October 22, 6 p.m., from Athens

agreed. This is not step which likely be achieved rapidly in any case, and if done could have serious political consequences.

4. Law 2317 passed March 1953 provides for issuance royal decrees prevent Greek registered ship recall any port. In May 1953 decree issued preventing trade with Communist China and North Korea. This law, however, superceded by Law 2687. Therefore, any decree issued under 2317 would affect only those ships (#) October 1953. Tonnage thus affected only one million of total seven million. It is not known if any these ships now engaged in Cuba trade.

5. GOG reluctant apply provisions Law 2317 not only because small tonnage involved but also because fear adverse effect efforts bring Greek owned foreign registered ships under Greek flag. Since shipping receipts important component foreign exchange earnings, such action could have very adverse impact on balance of payments.

6. Foregoing has been transmitted by Foreign Office to Ambassador Matsas and Permanent Representative Palamas who have been instructed to inform USG and NATO of above.

Comment: Apparent constitutional regulation on constitutional right of some Greek shipowners to ship to Cuba stems from GOG willingness in 1953 to grant broad concessions in successful effort to persuade Greek shipowners abandon flag of convenience registry in favor Greek registry. Thus legally GOG finds itself in serious dilemma and it appears only immediate weapon available to it is moral suasion.

LABOUISSIE

MEM

* (#) Omission, correction to follow.

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